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CHERYL A. VAUGHT

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Re: Proposed Regional Haze SIP Revision

To Whom It May Concern:

I am writing this letter on behalf of Dogwood Energy, LLC ("Dogwood"), a generator of electric power, in support of the proposed Regional Haze SIP Revision. Dogwood submits that the SIP fully complies with federal requirements to reduce regional haze and interstate pollution from the Northeastern coal-fired power plant in Oologah, Oklahoma. The requirement to retire one Northeastern unit by 2016, along with retrofits and a steady ramp-down of capacity at the other toward retirement in 2026, is a more cost-effective solution than requiring the installation of expensive scrubbers on both units. For the reasons set forth herein, Dogwood requests that the Oklahoma Department of Environmental Quality (DEQ) approve and finalize the SIP.

The SIP Revision is consistent with the State of Oklahoma's energy plan. The state energy plan prioritizes the increased use of Oklahoma's energy resources such as wind and natural gas, and protection of public health and the environment.¹ Oklahoma is an exporter of both natural gas and wind, but a major importer of coal, including the coal burned by the Northeastern units. In 2012, Northeastern imported more than 3 million tons of coal from mines in Campbell, Wyoming, at a cost of roughly \$63 million.² Adding scrubbers would have required continuation of those imports, requiring rail transport of large amounts of coal. The SIP Revision will instead encourage use of Oklahoma resources and the elimination of Northeastern's coal imports by 2026.

Transitioning from coal to gas, wind, energy efficiency, and demand response also has significant benefits for the overall reliability of the grid. As the amount of wind in Oklahoma and the Southwest Power Pool (SPP) rises, fossil generation will need to ramp production up and down more frequently, and to shut down for various periods of time during high wind production. The switching option would result in plants better suited to integrate with variable wind generation, both technically (since coal plants generally ramp more slowly than gas plants and often require longer periods between starts and stops) and economically (since the large investment in scrubbing and other environmental compliance will be partially stranded if coal units are often ramped down to accommodate wind energy, while gas plants would avoid their fuel costs).

¹ Governor Mary Fallin & Secretary of Energy Michael Ming, Oklahoma First Energy Plan (2011), at 3, 5, available at <http://www.ok.gov/governor/documents/Governor%20Fallin's%20Energy%20Plan%20-%20Jan%202012.pdf>

² SNL Financial (based on Energy Information Administration Form EIA-923 filings).

The SIP Revision is a practical and legally sufficient response to EPA's disapproval of Oklahoma's BART determinations for sulfur dioxide for the Northeastern units.³ Dogwood agrees with DEQ that, with respect to the Northeastern units, the SIP Revision also addresses the state's obligation to address the visibility impacts of pollution transported to other states. The SIP Revision will also contribute to the state's "reasonable progress toward meeting the national goal" of eliminating human-caused visibility impairment by 2064.

Oklahoma has the discretion to choose the "best" option, so long as it has considered all relevant factors consistent with the BART guidelines, and "provide[d] a justification." Dogwood believes DEQ correctly and justifiably chose the alternative that provides for the gradual phase-out of the Northeastern coal units. Dogwood supports the SIP Revision and urges DEQ to promptly move forward with finalizing and implementing the rule.

Sincerely,



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³ Because Oklahoma continues to dispute appropriate BART determination for the four remaining units, owned by Oklahoma Gas & Electric, this SIP Revision does not fully displace the FIP.